
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

by Attorney General Wayne Stenehjem's
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CHARITABLE DONATIONS – BE INFORMED

The holidays are a traditional season of giving, and at this time of year charitable organizations depend on donations from generous citizens to help meet community needs. While many charities use your money wisely, others may not deserve your generosity. Asking questions is the only way you can be sure your money will go to support worthwhile programs and services.

Many charities employ professional fundraising organizations to handle their large scale mailings, telephone campaigns, and other solicitations. These professional fundraisers are in business for profit. Under some contracts, the professional fundraiser takes as much as 90 percent of the donations it solicits from the public – leaving only pennies for the charity's programs.

When solicitors contact you, always ask if you are speaking with a volunteer or a professional fundraiser. If you are talking with a paid professional fundraiser, find out how much of your money will go to the fundraiser and how much to the charity. The Better Business Bureau and Wise Giving Alliance recommend that no more than 35% of contributions should be used for fundraising and administration costs.

Keep in mind that the professional fundraiser making the call is separate from the charity. The fundraiser's goal is to raise money, and he or she may not have reliable information about the work of the charity, how your money will be used, or whether your donation is tax deductible. It is also a good idea to get the name and address of both the professional fundraiser and the charity so that you can ask questions and verify information.

Professional fundraisers soliciting funds in North Dakota on behalf of charities must be registered with the state. Contact the Secretary of State's office at 701-328-3665 to determine if the professional fundraiser contacting you is registered in the state of North Dakota. In addition the charity itself must be registered in North Dakota.

When you receive a solicitation call, it is best if you do not make a pledge before you have all the facts. Even if the charity sounds worthwhile, you should request written information. Legitimate organizations will respect your right to be an informed donor.

Always take the time you need to think things over. After all, you wouldn't trust a stranger to invest your life savings, so why should you pledge to a charity you know nothing about?

Ask these questions:

- Who is soliciting for the charity – a volunteer or professional fundraiser? If it is a professional fundraiser, what is the name of the person calling, and the name, address and telephone number of the fundraising company?
- How much of every \$1 contributed will go for fundraising and administrative costs? As a general rule, this should be no more than 35%.
- Which North Dakota charities will receive my donations? How much of my donation will be directly spent in North Dakota?

- What does the charity do? What is its purpose? If the solicitor tells you the donation is for your local police, firefighter or other public safety agency, check directly with the agency to ensure that it is actually participating in the fundraising appeal.
- Why should I give to this charity? Is the donation tax deductible?
- When did the charity begin operating? Where is the charity office located? Request a name, street address, and telephone number.

Some facts you should know:

- If a charity mails you a gift, you are not obligated to return the gift or to donate.
- Watch out for groups using names similar to well known charities as a strategy to receive more donations.
- When you donate, your name may be placed on mailing lists issued to other charities. You have a right, however, to have it removed upon request.

Remember, if you are on the Attorney General's Do Not Call list it is a violation of North Dakota law for a professional fundraiser to call you. Only the charity's employees or volunteers may call you, so be sure to ask. Report any violations to the Attorney General's Consumer Protection Division.

All charities are not created or operated equally. Be a wise charitable giver. Ask how your money will be spent and carefully scrutinize that information before you donate. Charitable giving is great, but know your charity!

More information on charities and their spending habits can be obtained from the American Institute of Philanthropy (www.charitywatch.org), the Council of Better Business Bureaus, Inc., (www.bbb.com) and the Wise Giving Alliance (www.give.org).

The Office of Attorney General has released "Charitable Giving," a tip sheet for consumers to help reduce the risk of being victimized by deceptive solicitations. You can view the tip sheet online at www.ag.state.nd.us/CPAT/PDFFiles/giving.PDF, or you can request a copy by contacting the Attorney General's Consumer Protection Division at 701-328-3404 or toll free at 800-472-2600.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328 3404, toll free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article, and other consumer information, is located on our website at www.ag.state.nd.us.